

**Part D – Medicare Prescription Drug Program, January 2007**  
**Costs to Beneficiary (without limited-income subsidy)**

- About a \$30 monthly premium
- \$265 deductible (each year)
- 25% of drug costs from \$266 to \$2,400  
Medicare pays 75%, (so beneficiary pays about \$534)
- 100% of drug costs from \$2,400 to \$5,451.25  
(so beneficiary pays about \$3,051.25 out of pocket)  
***This is the famous “donut hole” or coverage gap***
- After \$3,850.25 (\$265+\$534+\$3,051.25) in beneficiary out of pocket costs, Medicare pays 95% / beneficiary pays 5%

# Limited-Income Assistance (Subsidy) “Extra Help” Under Part D

## Full benefit dual eligibles

- Full benefit dual eligibles are individuals who are entitled to Medicare Part A and/or Part B and are also eligible for outpatient prescription drug benefits through Medicaid.

## Groups eligible for low-income subsidies

Three groups have been identified for lower-income assistance (subsidies):

### Group 1

- Full benefit dual eligibles with incomes below 100 percent of the Federal poverty level (FPL)

### Group 2

- Full benefit dual eligibles and non-dual eligible Medicare beneficiaries with incomes between 100 percent and 135 percent of the FPL, with resource limits of \$7,500 per individual and \$12,000 for a married couple

### Group 3

- Medicare beneficiaries with incomes between 135 percent and 150 percent of the FPL, with resource limits of \$11,500 for an individual and \$23,000 for a married couple

**2006 Hawaii Federal Poverty Levels (FPLs)** - changes each year in February, see

<http://www.aspe.hhs.gov/poverty/>

Individuals		Couples
100 % FPL = \$11,270.	/ \$940 month	100% FPL = \$15,180 / \$1,265 month
135% FPL = \$15,214	/ \$1,267 month	135% FPL = \$20,493 / \$1,707 month
150% FPL = \$16,905.	/ \$1,408 month	150% FPL = \$22,770 / \$1,897 month

## Assistance (subsidy) for each group 2007

### Group 1

- ✓ No monthly premium or the deductible under basic plan
- ✓ Co-payments - \$1 for generics and \$3.10 for brand-name drugs (Hawaii Smooth Transitions)

If through paying these nominal co-pays the beneficiary reaches \$3,850 in out-of-pocket costs, they are not responsible for any other co-pays for the rest of the year

***Note: Those full benefit dual eligibles in nursing homes will have no cost sharing***

### Group 2

- ✓ No monthly premium or the deductible under basic plan
- ✓ Co-payments - \$2.15 for generic drugs and \$5.35 for brand-name drugs

If through paying these nominal co-pays the beneficiary reached \$3,850 in out-of-pocket costs, they are not responsible for any other co-pays for the rest of the year

### Group 3

- ✓ Monthly premium based on a sliding scale depending upon income under basic plan
- ✓ Reduced deductible of \$53 per year

Responsible for 15 percent of the cost of prescriptions up to the \$3,850 out-of-pocket maximum

Once maximum reached, co-payments - \$2.15 for generic drugs and \$5.35 for brand-name drugs for the rest of the year